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Sixteenth session

SUMMARY RECORD OF THE 4th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 22 November 1996, at 10 a.m.

President: Mr. Seung Kon LEE (Republic of Korea)

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The meeting was called to order at 10.55 a.m.

APPOINTMENT OF MANAGING DIRECTORS *(continued)* (IDB.16/25)

1. **Mr. BENMOUSSA** (Morocco) said that he had initially intended to address the Board prior to any decision on the agenda item. Other matters had prevented him from attending previous meetings of the current session. Having just learnt of the emergence in informal consultations of a draft text on which consensus had been reached within both the Group of 77 and the European Union and associated States, he did not wish to prejudice the course of the Board's deliberations and urged the President to proceed to submit the text to the Board, and invite delegations to comment on it after its adoption.

2. **Mr. INDELICATO** (Italy) asked whether it would be procedurally allowable for him to read out the draft text for approval. He wished to emphasize that it concerned the appointment of Managing Directors, not the approval of their appointments.

3. **Mr. HALIM MOHAMED** (Sudan), speaking on behalf of the African Group, said that since, at a meeting held in October, the Board had been apprised by the Director-General of the appointment of the three Managing Directors in question, it would presumably be in order for the Board, without encroaching upon the prerogatives of the Director-General, to declare that it had taken note of such information.

4. **Mr. POSTA** (Hungary) said that, as he saw it, the Board had two options: the text could either be summarized by the President and form part of the records or be submitted to the Board in the form of a written draft decision.

5. **Mr. YUSUF** (Legal Adviser) confirmed that those two options were open to the Board.

6. **Mr. HALIM MOHAMED** (Sudan), supported by **Mr. FULLAM** (Ireland) and **Mrs. OK** (Turkey), proposed that the first option put forward by the representative of Hungary be taken up. That was the simpler and less time-consuming solution.

7. **Mr. KAYALAR** (Secretary of the Board) suggested that, in line with the practice followed in the past when no draft decision had been submitted on an agenda item, the President should read out the text and ask the Board if it wished to take note of the information contained in it.

8. **Mr. BENMOUSSA** (Morocco), supported by **Mr. AHMADI** (Islamic Republic of Iran), said that, as he understood it, the text would not be sponsored by any one State but would be a consensus decision read out by the President.

9. **The PRESIDENT** said that, if he heard no objection, he would assume that the Board wished to take note of the appointment of the following Managing Directors:

Jean-Marc Deroy, Division of Administration

Nilmadhab Mohanty, Research and Publications Division

Angelo d'Ambrosio, Industrial Sectors and Environment Division

10. *It was so decided.*

11. **Mr. AZUMA** (Japan) said that his delegation did not understand why the Board had to take note of the appointments of Managing Directors. While he went along with the procedure adopted for the conduct of the present meeting, he wished to make clear that, in his delegation's view, Board approval of such appointments was unnecessary.

12. **Mr. HALIM MOHAMED** (Sudan), supported by **Mr. INDELICATO** (Italy), said that taking note did not constitute approval. The Board had agreed to include an agenda item, and had to take action on it. In the informal consultations held, however, the conclusion had been reached that, rather than produce a draft decision at such a late stage, it would be preferable for the Board simply to take note of the appointments.

13. **Mr. SOKOLOV** (Russian Federation) said that he shared the misgivings expressed by the representative of Japan. The procedure for appointing Managing Directors of UNIDO had been the subject of detailed discussion at meetings of the policy-making organs; any further deliberations could hardly contribute anything new. The appointment of Managing Directors, like that of other staff members, was governed by the first sentence of Article 11, paragraph 5, of the Constitution, which clearly laid down the Director-General's powers in that regard. The Board had already adopted a decision on the matter at its last session (IDB.15/Dec.2), in which the Director-General was urged to conduct more consultations with Member States and the representatives of regional groups to obtain their views on the appointment of Managing Directors, without prejudice to his constitutional authority and the staff regulations. The Director-General had, within the limits of his responsibility, held such consultations with Member States in

conformity with that decision and in response to the desire for greater transparency in the Secretariat's staff policy, particularly in regard to the filling of posts in the upper echelons of the Organization.

14. **Mr. BOURITA** (Morocco) said that transparency and mutual trust were the guarantee of the success of any human endeavour and lay at the basis of the United Nations. It had been a concern for strict observance of decisions taken that had prompted his delegation's proposal for the inclusion on the agenda of the item under discussion.

15. At its last session, the Board had, with the aim of strengthening dialogue between the Secretariat and Member States, adopted decision IDB.15/Dec.2, urging the Director-General to conduct more consultations with Member States and representatives of regional groups to obtain their views on the appointment of Managing Directors. At the meeting held in October on that subject, a genuine process of consultation had been expected. However, the Director-General had limited himself to announcing the names of the candidates whom he had selected, and he had even refused to make available their curricula vitae.

16. Following the abolition of the posts of Deputy Director-General in 1993, the Managing Directors had become the second highest level of authority in the Organization after the Director-General. As stated in document GC.5/23, the D-2 posts would constitute the first management level under the Director-General. They could also, at certain times, constitute the top level of managerial authority, since it had been pointed out that they could replace the Director-General on an interim basis, in rotation, fulfilling a number of functions ranging from daily administration to project approval.

17. His delegation wished to request that decision IDB.15/Dec.2 be implemented in full, in order to ensure that genuine consultations took place with Member States before each appointment of a Managing Director. Also, prior notification should be given whenever any Managing Director deputized for the Director-General in his absence.

18. **Mr. FULLAM** (Observer for Ireland), speaking on behalf of the European Union, said that the Director-General's responsibility for the appointment of all staff members of UNIDO was clearly stated in Article 11, paragraph 5, of the Constitution; there was no role for the Board in the matter. The arguments advanced in favour of Board approval of the appointment of Managing Directors did not stand up to scrutiny, and there was no legal basis for such a proposal. Article 11, paragraph 5, of the Constitution provided only for the approval, by the Board, of the appointment of Deputy Directors-General. That post level had been abolished some years previously and no decision had been taken to upgrade the level of Managing Director to that of Deputy Director-General. Article 11, paragraph 5, could not therefore be construed as applying to Managing Directors.

19. The European Union did not wish to see the Director-General's constitutional responsibility for appointing his staff diminished in any way; nor did it wish to have the role of the Director-General in shaping the Organization in the personnel area reduced.

20. **Mr. AHMADI** (Islamic Republic of Iran) said that his delegation supported the President's statement and welcomed the appointment of the new Managing Directors. However, the welcoming of such appointments was without prejudice to the number of Managing Directors or post allocation to regional groups.

UNIDO CONTRIBUTION TO THE SYSTEM-WIDE ACTION PLAN ON DRUG ABUSE CONTROL (IDB.16/14)

21. **Ms. TCHEKNAVORIAN-ASENBAUER** (Managing Director, Industrial Sectors and Environment Division) said that the programme had begun almost 10 years previously, especially in relation to problems of licit production in India. Licit production could also lead to trafficking because mountains of products accumulated, with the resultant problem of controlling the production and ensuring its use in licit ways.

22. UNIDO had also begun activities aimed at the replacement of illicit products. However, it was not enough to change to another product because it was necessary to create a market for the replacement product so that the farmers would have a monetary return for their work and so that they and their families could survive. Accordingly, attention had been devoted to the economic aspects of the question. UNIDO had begun to introduce certain products of agro-industry with high added value. It had been shown that it was not merely necessary to propose a replacement product but also to develop a rural industrial infrastructure so that the farmer could have access to a market close to his farm, where initial processing could take place, thus creating added value and contributing to poverty alleviation. From such rural centres, goods could be transported in smaller amounts for final processing and marketing.

23. That approach had been adopted in the Chapare area of Bolivia, and efforts were being made to involve farmers in industrial processing of the new crops. The transfer of appropriate technologies, training in management and production and marketing promotion activities were among the important items to be

considered. Funding was being sought for three project proposals on those lines.

24. A study had also been undertaken to explore the feasibility of producing orange juice in Los Yungas, Bolivia. The Government had expressed an interest in involving UNIDO in discussions with the private sector in order to set up a processing plant.

25. At the request of the Peruvian Government, UNIDO had undertaken a study to identify investment opportunities in the San Martin area. A project proposal was being prepared.

26. A project document based on an extensive study of the social, economic and climatic conditions of the Dir district in Pakistan had been signed by the Government of Pakistan. The objective of the project was to promote private sector investment in high-value added food products as substitutes for the illicit cultivation of poppy. The project was now being processed at UNIDO Headquarters.

27. Short-term technical assistance and advisory services had been provided to Morocco to identify crops that could be grown in areas prone to illicit cultivation activities. A draft proposal had been prepared and submitted to the Government.

28. UNIDO was trying to create capacity in developing countries that were vulnerable to the danger of entering into illicit production. It was important to allow activities to be initiated by the people themselves; adequate funding was not available for UNIDO to cover all projects and it was not possible to be active everywhere. UNIDO had therefore developed a very long-term group training programme on the industrial utilization of medicinal and aromatic plants, which was already in its eighth year in the Plant Research Centre in Turkey. Ten more participants from developing countries had been included in the programme in the current year. The course covered cleaner production and environmental conservation. It also included the detection of illicit production of drugs and psychotropic substances. Hands-on experience was expected to enable some participants to initiate alternative development activities in and around illicit crop-growing areas.

29. The programme was a very important contribution to social, economic and rural development and to poverty alleviation. UNIDO was taking special note of the need to concentrate more on the African region, for which it intended to introduce special programmes as from 1997.

30. **Ms. SJÖLANDER** (Sweden) said that her delegation had noted with satisfaction UNIDO's continued response to the System-Wide Action Plan on Drug Abuse Control. She welcomed the close cooperation between UNIDO and UNDCP and the operational activities undertaken by UNIDO in the area of drug control.

31. It was important to include those activities in the System-Wide Action Plan in order to ensure co-ordination and complementarity among United Nations agencies.

32. The intention of the System-Wide Action Plan was not so much to assemble a number of existing projects related to drug control and present them as a programme as to define at a very early stage of the programme cycle the responsibilities and comparative advantages of all organizations of the United Nations system active in a given country.

33. The statement by the Managing Director of the Industrial Sectors and Environment Division showed that UNIDO was in agreement with that principle. She was also happy to note that emphasis was being placed on capacity-building and on local initiatives at all levels in the recipient countries. Her delegation would like to give UNIDO all encouragement in that very important but also very difficult field of work.

34. **Mr. DAVIS** (International Network for Environmental Management) said that his organization, INEM, was an international business-based non-governmental organization which federated environmental management associations, cleaner production centres and similar production centres in over 30 countries, half of its members being in developing countries and countries in transition. His organization's goals were to help business and industry improve their environmental—and hence economic—performance through the application of an integrated approach defined as environmental management.

35. It could be said that his organization tried to democratize access to higher environmental performance for companies of all sizes in all countries by developing, adapting and spreading practical tools. It sought to destroy two myths: namely, that environmental protection always cost money and that it was only a luxury for large companies or companies in rich countries. Since 75 to 80 per cent of INEM's members were small and medium enterprises (SMEs), its policy was to create and spread tools adapted to small and medium-sized companies and to companies in developing countries and countries in transition. Those principles had been applied very actively in work within the International Organization for Standardization (ISO) over the previous five years, in developing the environmental management standards known as the ISO 14000 series.

36. INEM was recognized as an organization at the forefront of business in regard to environmental matters, though it was not an exclusive club of green companies but also included the largest polluters among its membership.

37. INEM had been working with UNIDO for five years, beginning with its contribution to the Copenhagen Conference on Ecologically Sustainable Industrial Development. It was also closely linked to UNIDO through the cleaner production centres, most of which were affiliated to INEM, and had worked with it, for instance, at Habitat II and at the NGO Forum on Cleaner Industrial Production. His organization shared the goal of promoting the harmonious industrial development of developing and transition countries.

38. However, his organization still saw a large potential of unused synergies. It therefore believed it was time to intensify and deepen cooperation. He suggested entering into a strategic alliance with UNIDO to better use respective strengths and to better achieve common goals in the most cost-effective manner. Such a decision could be part of the more general drive of UNIDO to increase its direct interaction with the private sector, as shown by the creation of various types of business councils. It would also strengthen UNIDO's efforts in favour of SMEs.

39. UNIDO and INEM had complementary strengths. INEM's roots in the business world and its expertise in the practical aspects of convincing business that an environmentally performing company was a healthier and richer company meant that it promoted UNIDO's policy of ecologically sustainable industrial development. An alliance between UNIDO and INEM would set an example and would send a message to donors, businesses and non-governmental and intergovernmental organizations, as well as to the coming special session of the General Assembly. It would put into practice elements of Agenda 21 which called for new and innovative partnerships to be forged, especially with non-governmental organizations and the private sector. It would also increase pressure on business to become involved in the implementation of Agenda 21.

40. Finally, it would send an important message to the donor community and would help to mobilize private efforts and know-how. He looked forward to increased and mutually beneficial cooperation with UNIDO.

41. **Ms. TCHEKNAVORIAN-ASENBAUER** (Managing Director, Industrial Sectors and Environment Division) thanked the representative of Sweden and the representative of Colombia, who had spoken on the previous day, and said that the points made would be noted and considered in programme elaboration in years to come. She was grateful for the support expressed for the very important programme under discussion.

PREPARATIONS FOR THE SEVENTH SESSION OF THE GENERAL CONFERENCE (IDB.16/20; IDB.16/CRP.3)

42. **Mr. AHMADI** (Islamic Republic of Iran), supported by **Mr. PURNOMO** (Indonesia), proposed that an item on the geographical distribution of Managing Directors be included in the provisional agenda of the seventh session of the General Conference.

43. *It was so decided.*

44. **Mrs. KLEIN BALLESTEROS** (Colombia) confirmed her Government's offer to host the seventh session of the General Conference at Cartagena. Previous General Conference sessions had been held in Asia and Africa, and Latin America would be honoured to host the seventh session. The proposal would of course be submitted to consultation with other Member States.

45. **Mr. DE MARIA Y CAMPOS** (Director-General) expressed appreciation for the offer. However he pointed out that it had been decided at the previous session of the General Conference that the next session would be held in Vienna. He would welcome guidance on whether he should consult Member States by correspondence or other means on a possible change of venue.

The meeting rose at 12.10 p.m.